

# Improving the Management of Municipally-Controlled Infrastructure Systems

Brasov, Romania

## Background

In Romania, *regii autonome* (public services corporations) provide local water, wastewater, district heating, and garbage collection facilities and services. The regii have their own boards of directors but are under the control of local governments, either cities or judets (counties). They are funded from user fees and from capital and operating subsidies that are passed from the national government through the local governments to the regii. As public subsidies decline in Romania, regii face a variety of service delivery challenges. Plants and equipment are outmoded and undermaintained. Many facilities are inadequate to meet the demand for services. Capital resources are scarce, and artificially low utility rates do not cover operating costs. In the past, the regii did not have to be concerned with maximizing efficiency, providing cost effective services, financing capital improvements, or responding to customer complaints. Today, however, regii are being forced to be more efficient and improve their management and operating practices. The City of Braşov (population 324,000) and its water/wastewater regia, Apa, undertook innovations to improve the regia's management and technical skills.

## Innovation

Recognizing the need to adopt new approaches to managing infrastructure systems, the management of Braşov's regia, "Apa," decided to introduce a variety of management, operating, and technical changes to improve efficiency and the quality of services. Staffing patterns and organizational arrangements were analyzed and improved. Water production was increased by modifying the water filtration system, and a method to recover backwash water was installed. Planning was improved by installation of a computerized model to evaluate the water distribution system. Wastewater treatment was improved by adopting an improved low cost aeration system at the Poiana Braşov plant that will enable the regia to meet Ministry of Environment standards. To qualify for a loan from the European Bank for Reconstruction and Development (EBRD), the regia prepared a three year operating plan and developed a leakage control strategy, and the city approved significant increases in utility rates.

## Results

Because the regia demonstrated a willingness and capability for change, Braşov was one of five cities to qualify for EBRD financing to improve its water and wastewater systems. The regia has a plan in place to reduce operating costs, increase income, and generate funds to repay the EBRD loan. Water production has increased by 12,000 cubic meters per day at little or no extra cost, and wastewater treatment has been improved. A long-term planning process has been developed. Also, special project implementation and leakage control units have been created within the regia. With committed management and leadership, similar improvements and efficiencies can be introduced elsewhere.

## Summary

To be more efficient and improve its management and operating practices, the water/wastewater regia in the City of Brasov undertook innovations to improve the regia's management and technical skills. As a result, Brasov was one of five cities to qualify for EBRD financing to improve its water and wastewater systems. Water production has increased by 12,000 cubic meters per day at little or no extra cost, and wastewater treatment has been improved.

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